

OSA-5362-64  
#1421

*Trans #8*

REPLY TO:  
Auditor General Representative (APL)  
P. O. Box 8155  
S. W. Station  
Washington, D. C.

3 December 1964

SUBJECT: Report on Review of Proposed Rates  
Lockheed Aircraft Corporation  
Burbank, California  
Contract Nos. FT-21, CA-20 and SC-23  
Period: 29 June 1964 through 27 December 1964

TO : Contracting Officer

1. A review has been made of the contractor's records to determine the reasonableness of billing rates for the above period as set forth in the following proposals from the Contractor:

<u>Date</u>	<u>Contract No.</u>
23 October 1964	SC-23
26 October 1964	CA-20
4 November 1964	FT-21

2. The average direct labor rates proposed for the various classifications were verified by the auditor based on direct labor incurred under the contract during selected periods. The overhead and G&A rates used in the proposal were those negotiated on 15 October 1964 for use on rate contracts for the subject period. The Lockheed Air Service rates included in these proposals are provisional and subject to adjustment when new rates for the period are negotiated.

3. The proposed rates are recommended for acceptance, STATINTL subject to approval by the contracting officer of the proposed profit rates of  for Contract Nos. FT-21 and CA-20, and  for Contract No. SC-23.

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Contracting Officer